



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6

1445 ROSS AVENUE, SUITE 1200
DALLAS, TEXAS 75202 – 2733

Mr. Dale Redmond, CEO
ProPetro Services, Inc.
PO Box 873
Midland, Texas 79702

RE: 4 South Industrial Loop A, Midland, Texas/ Former Lear Site

Dear Mr. Redmond:

I am writing in response to information you provided to the U.S. Environmental Protection Agency (EPA) concerning the property referenced above (the "Property") during our meeting at the EPA Region 6 office on December 13, 2012. During our meeting you described your intentions for ProPetro Services, Inc (ProPetro) to lease the Property for the purpose of locating its oil fields services operations and requested a comfort/status letter from the EPA. The purpose of this comfort/status letter is to provide you with information the EPA has about the Property and applicable Agency policies, as of the date of this letter. We hope the information in this letter enables you to make informed decisions as you move forward with plans for ProPetro to lease the Property for purposes of locating its oil fields services operations.

Under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, commonly referred to as Superfund), the EPA's mission is to protect human health and the environment from the risks posed by contaminated or potentially contaminated lands. In doing so, it is an Agency priority to return contaminated lands to productive reuse.

Property Status

Information on hazardous waste sites is contained in the Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS). Site-specific documents and fact sheets, if available, can be accessed through CERCLIS at www.epa.gov/superfund/sites/cursites/index.htm.

The Property is located at 4 South Industrial Loop A, Midland, Texas, and is further described as being Lot Two (2), Block Eleven (11), Midkiff Industrial Center, Section 20, an addition to the City of Midland, Midland County, Texas, according to the map or plat thereof, recorded in Cabinet E, Page 11, Plat Records, Midland County, Texas, and being further described by the metes and bounds as listed on said plat: field notes of a 7.17 acre tract of land located in Section 4, Block 39, T-2-S, T & Pry Company Survey, Midland County, Texas. The Property is situated within the boundary of the West County Road 112 Ground Water Site ("Site"). This Site is located in CERCLIS (TXN000606992), and was listed as final on the National Priorities List (NPL) on March 10, 2011. For the reasons stated below, the EPA is investigating the Site under its Superfund authority.

History and Status of the Site

The following is a summary of the information the EPA has currently regarding the Site.

The Site is a ground water plume of chromium and hexavalent chromium located in the southwest part of the City of Midland and the adjacent area of Midland County, Texas. The Site was listed on the NPL as a ground water plume with no identified source. Based on the most recent ground water sampling event by the EPA in June 2012, the total length of the chromium plume exceeding the 100 micrograms per liter drinking water standard is approximately 1 ¼ miles. Chromium concentrations in ground water exceeding 10 micrograms per liter have been detected across an area approximately 2 miles in length. The Site map with the extent of the chromium contamination is available in the enclosed fact sheet and represents chromium concentrations in the Ogallala aquifer or upper water bearing sands beneath the Site. The center of the Site is designated as 2601 West County Road 112, Midland, Texas.

The ground water flow direction and associated chromium migration is generally from the northwest to southeast across the Site area. A ground water and soil investigation conducted at the 4 South Industrial Loop A property by a prior land owner, and under oversight by the Texas Commission on Environmental Quality, detected the past release of chromium to the soil and ground water from the Property. The EPA collected additional ground water samples as part of the Site investigation to determine the extent of the contamination in this area of the Site. The June 2012 ground water sampling results detected chromium in the monitoring wells on the Property and southeast of the Property area, but at concentrations below the 100 micrograms per liter drinking water standard. The EPA anticipates that additional sampling and testing activities may be necessary on the Property to complete the Remedial Investigation and Feasibility Study.

At this time, the EPA anticipates that the current investigation and remedy selection process will be completed by September 2014. Updates on the progress of the Site activities can be found on the EPA Region 6 website at:

<http://www.epa.gov/region6/6sf/pdffiles/west-county-road-112-tx.pdf>

Reuse of the Property

During our meeting, you have indicated that you are planning for ProPetro to lease the Property to locate its oil field services operations. Based upon the information presently known to the EPA, the Agency is of the opinion that the above proposed use of the Property does not pose significant incompatibility issues with the Site. As the EPA moves forward with selecting a remedy for the Site, the EPA requests that ProPetro continues to discuss with the EPA its operations to ensure that such operations continue to be compatible with the Site remedy, as well as consult with your own legal counsel and environmental professional.

CERCLA's Bona Fide Prospective Purchaser Liability Protection

CERCLA was amended in 2002 to allow certain parties who purchase contaminated or potentially contaminated properties to buy such properties and to avoid potential CERCLA liability if they qualify as a "bona fide prospective purchaser" (BFPP). The BFPP provision provides that a person establishing the criteria of CERCLA Sections 101(40) and 107(r) (1) and who purchases after January 11, 2002 is protected from CERCLA liability.

The EPA has issued enforcement discretion guidance regarding the potential applicability of the BFPP protection to tenants leasing contaminated or potentially contaminated sites. See “Revised Enforcement Guidance Regarding the Treatment of Tenants Under the CERCLA Bona Fide Prospective Purchaser” (2012) (“Revised Tenants Guidance”) (copy enclosed). In general, the EPA intends to exercise its enforcement discretion to treat a tenant as a BFPP on a site-specific basis when that tenant meets certain BFPP criteria as described in the Revised Tenants Guidance.

Conclusion

The EPA generally issues comfort/status letters to facilitate the cleanup and reuse of contaminated or formerly contaminated properties. This comfort/status letter is intended to help you make informed decisions by providing you with the information that the EPA has about the Property and by identifying the statutory protections, enforcement discretion guidance, resources and tools that may be potentially available at the Property.

As discussed more fully in the Revised Tenants Guidance referenced above, the Agency generally intends to exercise its enforcement discretion to treat tenants as BFPPs on a site-specific basis when they meet certain BFPP criteria. This letter is not otherwise intended to limit or affect the EPA’s authority under CERCLA or any other law or provide a release from CERCLA liability. The EPA encourages you to consult with legal counsel and the appropriate state, tribal or local environmental protection agency before taking any action to acquire, clean up, or redevelop potentially contaminated property. It is your responsibility to ensure that the proposed use of the Property complies with any federal, state, local, and/or tribal laws or requirements that may apply. The EPA recommends that you consult with your own environmental professional to obtain advice on the compatibility of the proposed reuse.

The EPA remains dedicated to supporting the reuse of contaminated properties and hopes the information in this letter is useful to you. In addition, I have included a copy of the EPA’s latest fact sheet for the Site. If you have any additional questions or wish to discuss this information further, please feel free to contact me at (214) 665-8313, or the Region 6 Superfund Reuse Coordinator, Casey Luckett Snyder, at (214) 665-7393, or the Region 6 Site Attorney, Marvin Benton, at (214) 665-3190.

Sincerely,

Vincent Malott
Remedial Project Manager (6SF-R)

Enclosures: (1) West County Road 112 Ground Water Site Fact Sheet, October 2012
(2) Revised Enforcement Guidance Regarding the Treatment of Tenants Under the CERCLA Bona Fide Prospective Purchaser Provision, December 5, 2012

cc: Michael Montgomery, TCEQ